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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D.C. 20548

FILE: B-203741

DATE: July 8, 1981

MATTER OF: Logistical Support, Inc.

DIGEST:

GAO will not consider incumbent contractor's contention that agency should exercise contract option provision instead of issuing new solicitation.

Logistical Support, Inc. (LSI) protests the issuance of solicitation No. F45613-81-B-0017 by Fairchild Air Force Base, Washington, for mess attendant services, contending that this need should be met through exercise of the option under LSI's contract No. F45613-80-C-0022.

LSI maintains that the failure to exercise the option in its contract is inconsistent with Air Force guidelines "which mandate that contract options will be exercised except where there has been a substantial change in the requirements or a contractor's performance has been less than satisfactory." The protester states that although "some problems with the standard of services" occurred during performance of its current contract, some of those problems were caused by the Government and the problems have since been corrected. It also contends that the changes in contract requirements are so minor as not to justify a new solicitation.

We assume the "guidelines" to which LSI refers are those in the Air Force Defense Acquisition Regulation Supplement, which states at 1-1505(c):

"In addition to those considerations set forth in the DAR, options should be exercised only if it is determined that there is no substantive change in the requirement and the contractor's performance is satisfactory."

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We do not read this provision as "mandating" that options be exercised unless there has been no substantive change in the requirement or the contractor's performance has been unsatisfactory. Rather, we believe the Government's discretion with regard to the exercise of options is preserved although procuring officials are cautioned not to exercise an option if requirements have changed substantially or the incumbent contractor has performed unsatisfactorily.

Where an option is exercisable at the discretion of the Government, issuance of a new solicitation is a matter of contract administration and not for consideration under our Bid Protest Procedures. C. G. Ashe Enterprises, 56 Comp. Gen. 397 (1977), 77-1 CPD 166.

Accordingly, LSI's protest is dismissed.

Harry R. Van Cleve
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Acting General Counsel